FACTS ON FILE

Weekly World News Digest with Cumulative Index

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Letters in margin are to facilitate reference from future issues and index

WORLD AFFAIRS

SUMMARY. *Korean cease-fire talks were set.*
A *World Court enjoined Iran in oil dispute with Britain.*
Czechs sentenced AP newsman to 5-10 years imprisonment, freed 2 NATO jet pilots; Hungary ousted 2 U.S. diplomats.
Thai Navy rebellion put down, Premier reported in eclipse.
U.S. House approved transferring 24 warships to 6 nations.
Domestic News. *Truman warned Russia in July 4 speech.*
Congress extended current price-wage-rent controls 30 days.
Govt. ended fiscal year $3.5 billion in black.
Mobilization director reported output 20% under schedule.
B *4 top Reds jumped bail, 4 others "disappeared."*
50 persons killed in United Air Lines crash in Colorado.

KOREA

Cease-Fire Parley Set. The UN and the Reds agreed July 5 to begin Korean cease-fire negotiations in the field July 8. In the first meeting liaison teams will confer in or near Kaesong on plans for a later cease-fire conference involving the rival commanders or their representatives.

The move to end the shooting came about this way:

Peace feelers back and forth across the Iron Curtain, touched off June 23 by a speech by Soviet UN delegate Jacob A. Malik, led to a UN offer June 30 to meet with the Reds on the Danish C hospital ship *Jutlandia* in Wonsan harbor, 100 miles above the 38th Parallel. The Reds countered with an offer to hold a parley between July 10 & 15 at Kaesong, a western front town in the only sector where Communist troops are still below the 38th Parallel. The UN accepted Kaesong as meeting place and the Reds agreed to advance the date to July 8.

Agreement was reached through an exchange of radio messages between the rival top commanders—the UN's Gen. Matthew B. Ridgway and Communist Gens. Kim Il Sung (North Korean) and Peng Teh-huai (Chinese). The peace in prospect would be a D cease-fire, truce or armistice between the opposing armed forces. Efforts to reach a political settlement would be made later by diplomats. Main UN-U.S. objective at the moment: to get the fighting stopped on terms permitting UN observers to keep an eye on the Reds and guard against their use of a truce to get ready for a new surprise offensive. Another concern of U.S. leaders: to forestall a letdown in the West's general rearmament program if the Korean fighting stops.

Fighting continued in Korea this week but dwindled with the improvement in prospects for a cease-fire by mid-July. There was heavy ground fighting in the Iron Triangle sector of the central front and UN air attacks on North Korean airfields.

E **Ridgway Makes Offer.** Ridgway's offer broadcast to the Reds June 30 was the first specific proposal for a military cease-fire conference. The Allies advanced this plan after they had checked up for 5 days through diplomatic channels to confirm what Malik seemed to have said June 23: Korean peace talks between the "belligerents" could be arranged. [See pp. 201C, 202H]

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DEWEY FEARS HAPPY STALIN. N.Y. Gov. Thomas E. Dewey, in Honolulu July 3, said of the Reds' agreement to discuss a Korean cease-fire: "Every time the Soviets make a peace move, I get scared . . . Every time Stalin smiles, beware." He reached Tokio July 5 on his Far Eastern tour. [See 204C]

Ridgway issued the offer on instructions from the Natl. Security Council in Washington and with the approval of the Allies. F It was broadcast into North Korea and Red China from Tokio starting at 8 a.m. June 30 Tokio time (6 p.m. June 29 U.S. EDT) and continuing for 2 days. It was addressed to "The Commander in Chief, Communist Forces in Korea"—whoever he might be. Ridgway told the enemy commander:

"I am informed that you may wish a meeting to discuss an armistice providing for the cessation of hostilities and all acts of armed force in Korea, with adequate guarantees for the maintenance of such armistice. Upon the receipt of word from you that such a meeting is desired I shall be prepared to name my G representative [and] suggest a date at which he could meet with your representative. I propose that such a meeting could take place aboard a Danish hospital ship in Wonsan harbor."

Move Cheered, Opposed. UN Secy. Gen. Trygve Lie followed up with statements in New York June 29-30 urging that the Reds accept Ridgway's offer. U.S. officials said it would test the Reds' sincerity in starting peace talk through Malik's speech. Leading Democratic Senators in Washington praised the offer. GOP Sens. Kenneth S. Wherry (Neb., Senate minority leader) and Homer Ferguson (Mich.) said they were for a cease-fire provided there is no appeasement of the Reds. Sen. Robert A. H Taft (R., Ohio) was "not satisfied" because, he said, it looked as though Pres. Truman was working toward "recognition of the success of the Chinese aggressors." [See p. 201J]

South Korea's Natl. Assembly in Pusan adopted a resolution June 29 against a cease-fire at the 38th Parallel, demanded withdrawal of the Chinese Reds to Manchuria and unification of all Korea under the ROK Govt. A similar pronouncement was made June 30 by Forgn. Min. Pyun Yun Tae on behalf of the ROK Cabinet. Pres. Syngman Rhee reiterated July 3 a cease-fire at the 38th was unacceptable. A group of UN officials called on Rhee in Pusan July 4, failed to change his mind about truce terms but urged that he be less outspoken. [See p. 202K] J

Red Counter-Proposal. The Red Peking (Peiping) and Pyongyang radios broke into their regular anti-U.S. propaganda late July 1 with a broadcast to Ridgway saying: "We [Chinese and Korean Red commanders] agree to meet your representatives for conducting talks concerning cessation of military action and establishment of peace. We propose that the place of meeting be in the area of Kaesong on the 38th Parallel . . . between July 10 and July 15, 1951." The message was signed by Kim Il Sung, North Korean Premier, as "Supreme Commander of the Korean People's Army" and Gen. Peng Teh-huai as "Commander of the Chinese Volunteer Forces."

The Reds' choice of Kaesong—below the 38th Parallel—as the site of the preliminary meeting was taken in the West as a face-saving device. The city, which had 56,000 inhabitants before the war and was Korea's capital in ancient times, has been ruined in battle and is in a no-man's land. There was much suspicion of the Reds' desire to delay talks 10 to 15 days—fear they would K

use this time to build up for a new offensive—and numerous warnings in Washington against too much public optimism over the outlook for peace. Ridgway had reported to the UN Security Council June 28 that the Reds had 77 divisions in Korea and could launch a new offensive, despite recent "severe losses," within "a minimum of several weeks." But Secy. Gen. Lie said July 1 that he and other UN officials were "optimistic" as a result of the Red reply to Ridgway. [See pp. 202M, 201K]

Ridgway Accepts Kaesong. Gen. Ridgway, given considerable latitude by Washington to negotiate for a field parley, broadcast from Tokio July 3 his acceptance of Kaesong as the meeting place. But he urged that the meeting be held July 5 if possible so as not to "prolong the fighting and increase the losses." He offered to send an unarmed 3-man liaison team led by a colonel to Kaesong by helicopter or jeep, depending on the weather, July 5 or as soon thereafter as the Reds would meet.

Reds Speed Meeting. The Peking Radio said July 3 the Red offer of a Kaesong meeting between July 10 & 15 was "a very quick measure" in view of "the war-devastated condition of Korean communications." But on July 4 the Red Commanders broadcast a message to Ridgway that the meeting could take place Sunday, July 8. Ridgway issued an acceptance July 5 and on July 5-6 he and the Reds exchanged pledges of safe conduct for the delegations to Kaesong.

U.S. Leaders Skeptical. Pres. Truman and many other top U.S. officials issued repeated warnings that Korean peace talks might fail and a cease-fire in Korea would not allay the global menace of communism. "I'm worried . . . whether we'll relax after the Korean action," Defense Secy. George C. Marshall told the House Forgn. Affairs Com. June 29 when he testified for quick passage of the new $8.5 billion foreign military-economic aid bill. "Korea is only an incident in a world picture that requires us to continue building up our strength," he said. He also told the House Armed Services Com. July 2 the country must resist pressure to "bring the boys back home" if the Korean war ends. Economic Stabilizer Eric Johnston told the Senate Finance Com. July 2 the U.S. must continue a "billion-dollar-a-week mobilization program" regardless of what happens in Korea.

There were similar warnings July 3 by Adm. Forrest P. Sherman, Chief of Naval Operations, after his return from a visit to Japan and Korea; Gen. Omar N. Bradley, Joint Chiefs of Staff chairman, who emphasized that truce talks now in prospect would be "strictly military" with no bearing on "diplomatic or political" disputes; Defense Mobilizer Charles E. Wilson and W. Averell Harriman, Mr. Truman's special foreign policy adviser, in testimony before Congressional committees; Gen. Dwight D. Eisenhower, who said in a London speech that Atlantic rearmament "must go forward with the same resolution and courage that has characterized our Korean forces." [See pp. 210L, 202E, 201J]

(Richard B. Stokes, British Lord Privy Seal, on Korean peace prospects July 2: "It looks as though our defense program is not going to be so immediately necessary as it was a few days ago." Prime Min. Clement R. Attlee denied July 4 the British intend to let up on defense. Defense Min. Emanuel Shinwell also told Britons July 2 they could cut back on arms spending "at the slightest sign" of peaceful Soviet intentions, a remark charged off to domestic politics.) [See pp. 214H, 201K, 177J, 164A]

Pres. Truman said in an Independence Day speech in Washington July 4: Red leaders may have "decided to give up their aggression in Korea" but "we cannot yet be sure . . . I do not wish to speculate on the outcome of any meetings Gen. Ridgway may have with the commanders on the other side." Mr. Truman warned that even if the Korean war ends "we face a long period of world tension and great international danger." [See pp. 211N, 201D-202D, J]

(Peking Radio said July 4-5 that a Korean cease-fire would be far from "complete solution" of Far Eastern problems. It told the Chinese they must continue to build up armed strength for defense and recapture of Formosa.) [See p. 201J]

Fighting. In some war sectors there was heavy fighting this week despite the progress of peace negotiations. Wonsan was shelled by U.S. warships July 1 while Ridgway waited to hear whether the Reds would agree to a truce meeting there. North Korean airfields were heavily attacked by allied planes July 2. One of the war's biggest artillery duels took place July 3 near Inje on the eastern front and U.S. troops same day climaxed a hard 3-day battle by capturing a 3,500 foot peak in the Iron Triangle on the central front. The Reds began to retreat on the central front July 4-5 when it became apparent a truce meeting would be held July 8. An allied patrol made a sally into Kaesong July 4 without drawing fire. [See p. 202N]

Britain reported July 3 its first-year participation in the Korean war cost £10 million ($28,000,000). 11 members of the British Northumberland Fusiliers received 2-year court-martial sentences in Seoul July 3 for mutiny because they defied an officer's order to practice marching. [See p. 169K]

Congressional Medal of Honor winners for heroism in Korea (27 to date):

M/Sgt. Stanley T. Adams of Olathe, Kan. and Cpl. Einar H. Ingman of Tomahawk, Wis., both wounded Army men, award announced July 2; Army Capt. Lewis L. Millett of South Dartmouth, Mass., 25th Infantry Div., June 27; Capt. Raymond Harvey of Pasadena, Calif., Army 7th Div., June 21. They were presented their medals by Pres. Truman in Washington July 5.

Posthumous CMH awards were made in Washington by Gen. Omar N. Bradley June 21 to these Army men killed in Korea: Cpl. John W. Collier of Worthington, Ky.; First Lt. Samuel S. Coursen of Morristown, N.J.; Capt. Reginald B. Desiderio of El Monte, Calif.; Lt. Col. Don C. Faith Jr. of Alexandria, La.; M/Sgt. Melvin O. Handrich of Manawa, Wis.; Sgt. 1/C Loren R. Kaufman of Portland, Ore.; Sgt. George D. Libby of Linden, N.J.; PFC Luther H. Story of Americus, Ga., listed as missing instead of dead; PFC William Thompson of Brooklyn, N.Y.; PFC Richard G. Wilson of Cape Girardeau, Mo.; PFC Robert H. Young of Vallejo, Calif. [See p. 162K-L]

Brig. Gen. Frank A. Allen Jr., who was Gen. Dwight D. Eisenhower's public relations chief late in World War II, was appointed July 3 to the new post of Chief of Information in Gen. Ridgway's Hq. in Tokio. [See p. 178D; Vol. V, 149L] . . . **Maj. Gen. Whitfield P. Shepard,** former chief of the occupation civil affairs section in Tokio, replaced Maj. Gen. Alonzo P. Fox (reassigned to U.S.) June 28 as a deputy chief of staff to Ridgway. Brig. Gen. Leroy H. Watson took the civil affairs post . . . **Hollywood** troupe headed by Jack Benny, Errol Flynn, Marjorie Reynolds and Benay Venuta reached Korea July 4. [See p. 170E]

WEST EUROPE DEFENSE

Eisenhower Backs Europe Union. Gen. Dwight D. Eisenhower, addressing an English-Speaking Union dinner in London July 3, urged the establishment of a "workable European federation." He said this would help convince people everywhere that Europe is doing its utmost in defense against communism. "Procrastination, timid measures, slow steps and cautious stages" are holding up federation of Europe now, he declared. He also said steady progress is being made in the buildup of Atlantic defenses and SHAPE is no longer "a headquarters without troops." [See pp. 194F-G, 179C-D, 98H-J]

(The Marquess of Salisbury announced July 3 that Princess Elizabeth would succeed him as English-Speaking Union president.)

Truman on MDAP. Pres. Truman's 3d semi-annual report to Congress on the Mutual Defense Assistance Program showed June 25 that programs valued at more than $5.5 billion had been approved by March. Atlantic pact countries received 319 aircraft, 3,533 tanks and combat vehicles, 1,150 artillery pieces, 4,897 motor transport vehicles in the 6 months ended March 31. [See pp. 194D, 163P, 139J]

Warship Transfer Voted. A bill authorizing transfer of 24 U.S. destroyer escorts to 6 foreign nations was passed by the House and sent to the Senate July 3. 8 ships each will go to France and Brazil, 3 to Peru, 2 each to Denmark and Uruguay and one to Britain. Some ships are in the hands of the recipient nations already under the 1941 lend-lease program. Some will be charged in whole or part to North Atlantic Treaty Org. aid. Peru will pay $4 million and Uruguay $2 million or 10% of the estimated value of the ships they get, the rest being charged to NATO aid. [See pp. 164M, 163P, 108D, 47B-C]

Yugoslavia Asks U.S. Aid. Yugoslavia's formal request for heavy armaments from the U.S. "as soon as possible" was submitted in Washington June 28 by Amb.-to-U.S. Vladimir Popovic. He told newsmen after a conference with State Secy. Dean G. Acheson "there is no letup of pressure" by Cominform countries against Yugoslavia. Refugees from Rumania said in Belgrade June 30 that Rumania had begun mass deportation of Yugoslavs and other foreigners living within 30 miles of the Rumanian frontier with Yugoslavia. [See pp. 194K, 187P]

(Parole of Vojslav Varnava Nastic, Serbian Orthodox Bishop of Sarajevo, from an 11-year sentence for conspiracy against the

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state was announced in Belgrade July 3. He was sentenced in March 1948. The Yugoslav Govt. July 5 confirmed reports that it had offered to free Roman Catholic Archbishop Aloysius Stepinac if he will leave the country but the Vatican rejected these terms for his release.) [See p. 166G]

New Socialist Body. A new Socialist International was formally established June 30 at the opening of an international conference of anti-Red Socialist parties in Frankfort-on-the-Main. The new International embraces 22 Socialist parties in 21 countries (2 in Italy) plus exiled groups from Spain, Argentina, Yugoslavia and 7 Soviet-bloc countries. The U.S. Socialist party belongs but ranks 17th in size among member parties. Israel's Mapai Party sent observers but has not yet joined. Unlike the old Soviet-dominated 3d International, the new Socialist International's decisions are not binding on member parties. [See pp. 142P, 75C]

The Frankfort meeting ended July 3 after adoption of a resolution regretting that Cominform policies compelled the free democracies to stress military defense over peaceful economic advancement. German Social Dems. led by Dr. Kurt Schumacher refused to pledge Germany to go all-out for Western defense unless its equality with other Western nations is restored. [See pp. 115L, 90F]

OTHER WORLD NEWS

World Court Enjoins Iran. The 12-member Intl. Court of Justice, The Hague, voted 10-2 to grant Britain a temporary injunction against Iran in the oil dispute July 5. It directed Iran to permit the British-owned Anglo-Iranian Oil Co. to continue operating pending a final court decision over the firm's nationalization. The court urged the 2 countries to name a 5-member supervisory board for the company. Iran had challenged the court's jurisdiction on the grounds that the controversy was an internal one with a private firm and not with the British Govt. (which owns 53% of AIOC). Judges Bohdan Winiersk of Poland and Adel Mamid Badawi Pasha of Egypt dissented in the case, which was heard June 30.

During the week both nations kept up the war of words as production in the oil fields dwindled and the last British tankers quit Abadan without loading or after pumping their oil back into tanks rather than assign title to Iran.

The last British women and children evacuated from Abadan arrived in London June 30. British civilian workers, down to 2,200, were concentrating in Abadan preparatory to total evacuation should no compromise be reached. A Basra, Iraq report July 2 said more British warships and troops had arrived in the Kuwait area of the Persian Gulf to reinforce the cruiser *Mauritius* standing off Abadan on the Iraqi side of the Shatt el-Arab River.

Premier Mohammed Mossadegh told U.S. Amb. Henry F. Grady July 2 Iran will let the giant Abadan refinery take a "holiday" unless the British company agrees to pay for the refined oil. He refused to make any more concessions after telling Grady June 29 he had decided not to press for early passage of the anti-sabotage law. His decision to reverse himself caused the British Govt. to delay evacuation of its nationals.

British Forgn. Secy. Herbert Morrison warned Iran by note June 30 that loss of revenue and large-scale unemployment in Iran will follow its present course of action. He blamed the suspension of Iranian oil exports on Iran for insisting that it be given receipts for all refined oil. Iranian police raided the home of the British firm's chief representative in Teheran and seized all papers June 30.

British executives cut production at the Abadan refinery by 40% (from 15.1 million gallons a day to 8.3 million) July 1 to keep the refinery operating for 20 more days as storage tanks filled. Denunciations of the British continued in the Iranian press, the Iranians saying they could run the oil fields if the British left.

In the U.S. Interior Secy. Oscar L. Chapman July 3 named Stewart P. Coleman, Standard Oil Co. (N.J.) director, to chair a Forgn. Petroleum Supply Com. representing 19 oil companies with operations overseas. It will make plans to offset the possible loss of Iranian output. Henry Ford Jr. in Rome July 3, foresaw no U.S. oil shortage, saying "tremendous" new fields have been opened in Canada during the past 2 years. [See p. 204D-F]

Germany. The Big 4 resumed meetings July 5 on a new trade arrangement between East and West Berlin. Anglo-U.S.-French negotiations with the Russians on this subject were broken off 2 years ago. The East and West Germans also announced July 4 they had reached agreement on a new 1951 trade pact providing for $119 million (500 million marks) worth of goods on each side. [See pp. 194A, 185J, 156J, 115N]

U.S. High Comm. John J. McCloy July 3 deflated German hopes of putting across a so-called Petersburg plan for a 250,000-man West German army containing larger units and with more freedom of action than France has been willing to approve. On his return from a trip to Washington, McCloy said in Frankfort-on-the-Main that the U.S. still wanted German units incorporated into an international European army. [See pp. 185J, 106P, 90F]

West German Chancellor Konrad Adenauer conferred with Italian officials and saw Pope Pius XII during a visit to Rome June 14-19. [See pp. 172E, 116A] . . . The Bonn Govt. outlawed the Communist Free German Youth Movement in West Germany June 26. [See p. 75B] . . . As a blow to black marketers the U.S. issued new script currency for use of its occupation and defense personnel in Germany and other areas abroad June 21. The surprise move invalidated $150 million worth of 4-year-old military scrip dollars which have been extensively counterfeited and used in black markets. [See p. 185J]

Japan. A new Japanese Cabinet containing 6 new members was installed by Emperor Hirohito July 4. Liberal leader Shigeru Yoshida remained Premier. He sought in the Cabinet reorganization to strengthen his regime in economic departments in preparation for the pending peace settlement with the Western Allies [see p. 204J]. The new Cabinet:

Premier—Shigeru Yoshida	Educatn.—Teiyu Amano
Intl. Trade & Industry—Ryutaro Takahasi*	Transport'n—Takeshi Yamazaki
Finance—Hayato Ikeda	Atty. Gen.—Takeo Ohashi
Labor—Shigeru Hori	Econ. Stab. Bd. Dir.—Hideo Sudo
Agri. & Forestry—Ryutaro Nemoto*	Local Autonomy Agency Dir.—Kiyohide Okano
Construction—Uichi Noda*	Tele. & Posts—Eisaku Sato*
Welfare—Ryugo Hashimoto*	Cabinet Secy.—Katsuo Okazaki
	Without Portfolio—Shuji Masutani*

* New members. [See p. 147L; Vol. X, 205M]

19 Japanese who had held out ever since VJ day on Anatahan Island, 61 miles north of Saipan, in the belief that the war was still going on surrendered June 30 to the crew of a U.S. Navy tugboat. They were brought around to believing the war was over when a U.S. Navy plane dropped them letters and photographs from relatives in Japan. [See Vol. VII, p. 128L-M]

British Aid Programs. The British Commonwealth's Colombo Plan for a 6-year development program worth $5,230,400,000 in British colonies and British-allied countries of south and southeast Asia formally went into effect June 30 [see p. 58P]. Commonwealth Defense Ministers also agreed in London June 26 that the other members will help Britain defend the Middle East in event of war. [See pp. 211D, 14C]

NATIONAL AFFAIRS

THE PRESIDENT

4th of July. If the Korean truce talks are unsuccessful "it will be because the Communists do not really want peace," Pres. Truman declared July 4 in a Washington speech as he led Americans in observances of the 175th anniversary of the signing of the Declaration of Independence. "Let us keep our heads and be vigilant and ready for whatever may come," he said. "The greatest threat to world peace, the tremendous armed power of the Soviet Union, will still remain, even if the Korean fighting stops." Other leaders also warned against letting Korean peace prospects lull the nation into a relaxation of the defense effort. Center of the Independence Day festivities was Philadelphia, scene of the signing of the famous document, where historic events connected with the declaration were reenacted. 210 persons died accidental deaths during the holiday, 105 in traffic mishaps. [See pp. 212E, N, 210E-F]

Signs Bills. (June 26) Measure continuing free mailing privileges for servicemen in Korea (passed by Senate June 21). [See p. 197D] . . . (June 28) Bill extending time limit for DPs to enter the U.S. [See p. 205K] . . . (June 30) Legislation extending to 10 years the 3-year statute of limitations on prosecuting passport law violators and persons falsifying evidence of citizenship. (Communists, dope peddlers and spies allegedly escaped prosecution on passport charges because of the 3-year limit.)

Cuts Japan Funds. The Budget Bureau announced June 27 that Pres. Truman has cut a $150 million request for occupation funds for Japan, the Ryukyu Islands and Trieste for 1952 to $27

million because of Japan's "high degree of economic recovery." Most of the money will go to the Ryukyus. [See Vol. X, p. 106N]

Ousts Tax Collectors. Pres. Truman suspended Denis W. Delaney, 54, as Collector of Internal Revenue for the Massachusetts Dist. June 27 and ousted James W. Johnson, 54, as Collector for New York's 3d Dist. July 2. Delaney was suspended pending investigation of unspecified charges about how he "conducted the business of his office." Sen. John J. Williams (R., Del.) had demanded Johnson's removal in February for allegedly running a "disgraceful," inefficient, politics-ridden office. He said 8 of Johnson's deputy collectors had been convicted since 1946 of crimes involving bribery and favors. Johnson was replaced by Monroe Davis Dowling, 43. [See Vol. III, p. 386E]

Matthews' Job. Navy Secy. Francis P. Matthews, newly appointed Ambassador to Ireland, said in Omaha June 29 that he will also represent Pres. Truman elsewhere in Europe. [See 204P]

Appointments. (June 27) John B. Dunlap, 47, of Dallas, to succeed George J. Schoeneman, 62, who resigned the same day as Internal Revenue Commissioner. [See pp. 141G, 100H, 51K] . . . (July 2) Wayne Coy reappointed FCC chairman. [See p. 165A-B] . . . Roberto H. Todd Jr. as Chief Justice of Puerto Rico Supreme Court. [See p. 144D] . . . (July 5) Gov. Luther W. Youngdahl (R., Minn.), 55, as U.S. judge for District of Columbia. [See p. 101H-J]

Resignations. (June 27) William E. De Courcy, 57, as Amb. to Haiti effective June 30. [See Vol. VIII, p. 191P] . . . (June 28) Milton Katz as ECA Amb. in Europe effective Aug. 15. (He became associate director of the Ford Foundation June 27.) [See Vol. X, p. 194A] . . . Nathaniel P. Davis as Min. to Hungary, retirement effective June 30. [See Vol. IX, p. 172A]

CONGRESS

Stopgap Controls Extension. A bill extending wage-price-rent controls until July 31 but banning price rollbacks was passed by both houses June 29 and signed by Pres. Truman June 30. The stopgap measure was made necessary by House failure to complete action on a new controls bill before the present measure's scheduled June 30 expiration. The ban on rollbacks, proposed by Chrmn. Harold D. Cooley (D., N.C.) of the House Agriculture Com., was added in the House by a 232-159 vote (135 R., 97 D. for; 108 D., 50 R., 1 I. against).

A new Defense Production Act continuing controls until June 30, 1952 but barring price rollbacks below Jan. 25-Feb. 24, 1951 levels was passed 71-10 by the Senate at 4:02 a.m. June 29 after a 16-hour session. 41 D., 30 R. voted for; only Republicans voted against. Approval of the rollback ban was assured by the 61-26 defeat June 27 of an attempt to remove anti-rollback provisions from the bill and by a 62-22 defeat the same day of a proposal to suspend the ban for 60 days. 36 R., 25 D. voted to retain the ban; 21 D., 5 R. voted to kill it. The bill would keep rent control until Feb. 29, 1952 but allow ceilings raised to 20% above June 30, 1947 levels.

Pres. Truman, in an appeal for the stopgap measure June 28, warned that either expiration of controls or passage of a bill "so crippled and confused with special interest amendments that it would be worse than useless in the fight against inflation" would be "dangerous." In either case, the consumers "will take a beating, and our whole defense effort—our whole stake in the free world's security—will be placed in serious jeopardy."

Michael V. DiSalle, director of the Office of Price Stabilization, predicted July 3 that the rollback ban will mean "continuously rising" prices, possibly to 7% above present levels. In a last-minute order before the rollback ban took effect, DiSalle June 29 rolled back prices of aluminum and lead. Secondary aluminum was cut 30% to 50% and topgrade secondary lead reduced from 21¢ a lb. to 17¢.

Meantime development of black markets in beef, center of the rollback controversy, was reported at the Chicago and Omaha stockyards simultaneously with the emptying of many feedlots. The OPS June 27 raised July cattle slaughter quotas by 10% over June to 90% of the July 1950 figure but cut hog quotas nearly 10% to 105% of the July 1950 level. [See p. 205B-C]

Govt. Gets July Funds. A stopgap appropriation providing money to run the Govt. during July was passed by unanimous Senate voice vote and a 256-12 House vote June 30 and signed by Pres. Truman July 1. This temporary measure was made necessary by Congress' failure to complete fiscal 1952 appropriations by June 30, the end of fiscal 1951. Congress yielded to Pres. Truman by authorizing the Govt. to continue spending in July at the same rate as in the final quarter of fiscal 1951. Mr. Truman warned June 30 that amendments the Senate added June 29 to the House's June 28 version of the stopgap bill would have forced drastic cuts in foreign military & economic aid. For example, Gen. Dwight D. Eisenhower's European forces would have been able to buy only $250 million worth of equipment instead of the $900 million finally authorized. [See p. 205B-D]

The Govt. ended the fiscal year June 30 with a $3,509,782,624.25 budget surplus, 2d highest in history. Last year it had a $3,122,102,357 deficit. Fiscal 1951 budget receipts were $48,142,604,532, against $37,044,733,557 in 1950. Expenditures totaled $44,632,821,908, compared with $40,166,835,914 last year. Major expenditures included:

	Fiscal 1951	Fiscal 1950
Army (military functions)	$6,871,196,607	$4,147,389,907
Army (civil functions)	$1,132,987,184	$1,556,902,044
Air Force	$6,237,245,804	$3,506,125,134
Navy	$5,758,155,592	$4,125,134,514
Mutual Defense Assistance	$883,733,742	$44,342,025
Economic Cooperation Act	$2,809,661,369	$3,523,435,044
Veterans (non-insurance)	$5,237,656,180	$6,044,476,273
Interest on public debt	$5,612,654,812	$5,749,913,063

The gross public debt June 30 was $255,221,976,814, against $257,357,352,351 last year. The $21,755,685,907 gold reserve compared with $24,230,249,935 June 30, 1950. [See p. 111E]

The Treasury resumed deficit financing June 27 for the first time in nearly a year when it invited bids for $1.2 billion in 90-day bills to cover $1 billion in bills falling due July 5 and supply $200 million of new money. [See p. 151C]

Inquiries. A Senate Small Business "Watchdog" Subcom. headed by Sen. Blair Moody (D., Mich.) was created July 2 to keep track of small business in the defense program and investigate misuse of critical materials or unemployment caused by the change-over to defense production. Moody said it would begin an investigation of steel shortages in small business. [See pp. 188J, 175C] . . . A Senate Commerce subcommittee headed by Sen. Brien McMahon (D., Conn.) began hearings July 2 on the New Haven R.R.'s "unorthodox management." . . . Rep. Charles B. Brownson (R., Ind.) charged July 1 that in 1944-45 the Navy bought enough paint to cover 10,666 Missouri-class battleships and eventually sold it to Steg, the German quasi-governmental corporation. Now the Germans want to sell it at less than half price to the U.S. paint company that made it. [See p. 131L-M]

GOP Scores Administration. A resolution condemning "the disregard of political morality and ethics in the present Democratic administration" was signed by 39 first-term Republicans in the House July 1. A proposed code of ethics for Govt. officials & employes was introduced by Rep. Charles E. Bennett (D., Fla.) and 23 other House members of both parties June 26. It called for "a full day's labor for a full day's pay," exposure of corruption and avoidance of business with the Govt. or private promises "binding upon the duties of office." [See p. 205E]

Rep. Walter E. Brehm (R., O.) June 29 paid his $5,000 fine for taking illegal political contributions. [See p. 188L]

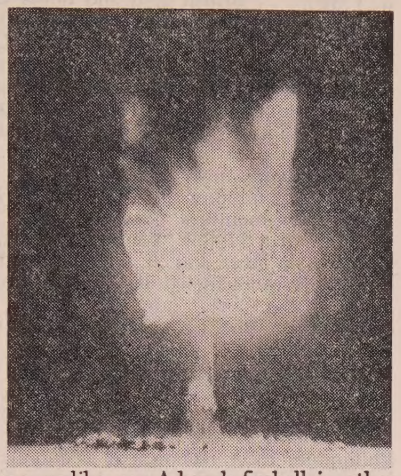
Gov. Fuller Warren returned a Senate Crime Com. subpena as a violation of "state sovereignty" July 3 and said he will not testify while he is Governor of Florida. [See p. 208M]

MOBILIZATION & DEFENSE

Wilson Reports Lag. Defense Mobilization Director Charles E. Wilson cautioned July 4 that "if a truce is reached or even if peace is fully restored in Korea, new aggressions are always possible anywhere along the broad perimeter of the Soviet Empire, and any of these could lead to a global war." He said this in his 2d quarterly report, a 25,000-word document entitled "Meeting Defense Goals—A Must for Everyone," covering the period April 1-June 30. Pres. Truman, transmitting the report to Congress, warned on the basis of Wilson's findings that consumers will be "plundered by renewed inflation and our whole mobilization program threatened with disaster" unless strong economic control legislation is passed.

According to Wilson's report: Deliveries to the armed forces, amounting to more than $4 billion worth of supplies, equipment and facilities in the past 3 months, have increased 3-fold in the past year but are still 20% below schedule. They must be tripled again in the next year regardless of whether the Korea fighting stops. $10 billion worth of military orders have been placed in the past 3 months in addition to $32 billion put on the books since the Korean outbreak. Nearly $10 billion of this has been delivered, leaving $32 billion in process. A-bomb producing has gone "on an industrial basis." U.S. industrial output has increased more than 12% and the gross national product 9% since Korea. Additional increases of 12%-15% in industrial production and 10%-12% in the gross national product are expected during the next 2 years. 1951 farm output is expected to be a record 4% above the 1950 figure. Manpower shortages are

increasing, but only on a local basis. 2 million more defense production workers will be needed this year and 2½ million next year. National security expenditures will grow from the present $35 billion a year to a $65 billion rate, add to inflationary pressures and increase the need for strong controls. [See p. 108B-E]



New A-Weapon? This photo of an atomic explosion made during Jan.-Feb. tests at the Atomic Energy Comm.'s proving grounds at Frenchman's Flat, Nev. led to speculation that a new weapon or an underground blast had been tested.

The AEC released the picture June 30, explaining only that it was of an "atomic explosion."

Shaped like a wineglass with a flat base, long, thin stem and flat-sided bowl, the blast was unlike any A-bomb fireball in other AEC photos. [See pp. 193F, 43L]

Air Speed, Altitude Marks. The Navy announced July 3 that its experimental needle-nosed D-558-2 Douglas Skyrocket set new world speed and altitude records at Edwards Air Force Base, Muroc Dry Lake, Calif., June 11. Exact figures were withheld, but the speed was unofficially estimated at nearly 1,300 mph. (almost twice the speed of sound), the altitude at 70,000 ft. Douglas test pilot William Bridgeman, 34, World War II Navy flier, flew the rocket-powered craft. It was launched from a B-29 at 35,000 ft., climbed at 45° and flew for 11 to 16 minutes. (The Air Force's experimental Bell X-1 is believed to have exceeded 1,000 mph. and 63,000 ft. altitude.) [See IX, 422L-M]

LABOR

Airline Strike Ends. 900 AFL pilots and co-pilots ended a 10-day strike of United Air Lines June 29 under a "truce agreement" providing for resumption of service on a prestrike basis. This meant that UAL's 6 new DC-6Bs would not be used until the dispute is settled. Pres. Truman had asked the pilots June 23 to resume work pending negotiations under the auspices of the Natl. Mediation Board. The strikers failed to return, however, until a few hours after it was announced that papers for Govt. seizure of the airline had been prepared and were awaiting Mr. Truman's signature. [See pp. 216M, 197M]

Mexican Labor Bill Passed. A compromise bill authorizing the Labor Dept. to recruit Mexicans for work on U.S. farms was passed by both houses of Congress and sent to Pres. Truman June 30. Joint conferees killed an amendment by Sen. Paul H. Douglas (D., Ill.) that would have imposed severe penalties on farmers hiring "wetbacks." [See p. 206B]

Washington Transit Strike. Washington's transit system was tied up July 1-3 by a strike of 3,400 AFL bus & streetcar workers employed by the Capital Transit Co. The walkout ended when the strikers voted to accept a 15% hourly raise and other benefits. [See p. 181H; Vol. IX, 413B]

Telegraph Strike Averted. A nationwide strike of 35,000 members of the AFL Commercial Telegraphers Union employed by Western Union, scheduled for July 2, was postponed indefinitely by a tentative agreement reached in Washington July 1. 27,000 employes will receive an immediate 13¢ hourly raise plus an additional 4¢ Sept. 1 if the Wage Stabilization Board agrees. 8,000 messengers will get an immediate 7½¢ raise plus 2½¢ Sept. 1 if the WSB agrees. Western Union had signed with the 6,000 members of the American Communications Assn. in the New York area June 30 for a 5¢ hourly raise for messengers and a 16½¢ raise for other employes. [See p. 165E]

Wage Rulings. Raises authorized by the Wage Stabilization Board June 28: 2¢ an hour above the 10% ceiling for 220,000 AFL and CIO packinghouse workers. (This was in addition to 9¢ approved May 18.) [See p. 165C] . . . 9¢ an hour for Westinghouse Electric's 44,000 CIO and 6,000 AFL employes. (About 3¢ was above the ceiling. The raise, retroactive to April 16, took effect July 2, averting a strike.) [See p. 181K-L]

Harry Martin was reelected president of the CIO American Newspaper Guild in Pittsburgh June 29. [See Vol. IX, p. 213C]

COMMUNISM

8 Top Reds Missing. 4 of 11 top Communist Party leaders convicted of conspiracy jumped bail July 2 rather than go to jail. They joined 4 lesser party leaders missing since they and 17 others were indicted for a similar conspiracy June 20. Fed. Judge Sylvester Ryan of N.Y. ordered the $80,000 bail of the first 4 forfeited July 3 and sentenced Frederick Vanderbilt Field, secretary of the bail fund of the Civil Rights Congress, to 90 days in jail for contempt July 5 when he refused to name the owners of the bail collateral. The FBI hoped to be able to trace the fugitives through the owners of the bonds. [See p. 92B]

The 4 fugitives: Henry Winston, national organization secretary; Robert Thompson, N.Y. State chairman; Gilbert Green, Illinois State chairman, and Gus Hall, national secretary. All but Thompson were to start 5-year terms. Thompson was sentenced to 3 years. The other 7 who surrendered in N.Y. July 2 to begin 5-year terms: Eugene Dennis, John B. Williamson, John Gates, Irving Potash, Carl Winter, Jack Stachel and Benjamin J. Davis Jr. All 11 were fined a total of $110,000 and this was collected July 2. They were indicted 3 years ago, convicted in 1949.

There was speculation that the missing 4 had either fled the country or joined James E. Jackson Jr., Sidney Stern or Steinberg, Fred Fine and William N. Marron to set up an underground Politburo. The Civil Rights Congress has also put up all but $5,000 of the $186,000 bail fixed June 20 for the 17 secondary Reds, all of whom pleaded not guilty July 3. Field put up the $5,000. [See pp. 197E, 180P]

Irving David Fox, wartime atomic scientist, was acquitted of contempt of Congress in Washington June 29. He had refused to answer questions about Communists. [See Vol. X, p. 395A]

GENERAL

NAACP Meeting. 6,000 persons, the largest unsegregated audience in Atlanta since Reconstruction days, crowded into the city's municipal auditorium July 1 to hear Dr. Ralph J. Bunche address the closing session of the convention of the Natl. Assn. for the Advancement of Colored People. Reaffirming that "the Negro can never be content with less" than "full equality," Bunche assailed "those Senators who are brave enough to have us risk a 3d world war but who quail like chipmunks before our domestic racial prejudice." The NAACP June 30 again announced its opposition to communism. The NAACP's Spingarn Medal for the "highest achievement of an American Negro" was awarded June 29 to Mrs. Mabel Keaton Staupers, 61, a New York nurse, for "spearheading the successful movement to integrate Negro nurses into American life as equals." [See p. 207H]

Young GOP Bars Dixiecrat Link. The Young Republican Natl. Fed., meeting in Boston June 28-30, rejected proposals of Sen. Karl Mundt (R., S.D.) for a working coalition of Republicans and anti-Truman Southern Democrats (Dixiecrats). Herbert Warburton, 35, of Wilmington, Del. was elected chairman for the next 2 years. [See Vol. IX, p. 206M]

Hunt Charge Dropped. James V. Hunt's indictment on charges of taking fees for getting businessmen Govt. contracts while he was still on the War Assets Admin. payroll was dismissed by Fed. Dist. Judge Richmond B. Keech in Washington June 27. Govt. physicians said Hunt was too sick to stand trial. [See p. 44P]

FOREIGN AFFAIRS

Czechs Try U.S. Newsman. William N. Oatis, 37, AP correspondent in Prague, was given a 10-year prison sentence as a spy by the Czech State Court in Pankrac Prison, Prague, July 4. In a trial July 2-3 he recited what seemed to have been a memorized "confession," according to U.S. Embassy officials who observed the trial. He said he had carried out espionage missions assigned by the AP in New York and the U.S. Embassy in Prague, was "sorry" and did not want to appeal his sentence. The court ruled that he could be released in 5 years for good behavior. 3 Czech employes of the Prague AP bureau convicted with Oatis drew

heavier punishment: 20 years in prison for Tomas Svoboda, 18 years for Pavel Wojdinek and 16 years for Peter Muenz.

Oatis, native of Marion, Ind., had been held incommunicado since his arrest April 23, was never permitted to talk to U.S. Embassy representatives, apparently received about the same treatment as Robert Vogeler in Hungary [see p. 190C]. Part of the evidence introduced against him as espionage directives: routine AP messages from New York asking that he check up on reports, such as stories about arrests of Czech officials, not issued by the Czech Govt. The U.S. State Dept. said July 4 he was the victim of a "kangaroo court" and AP called his trial "a mockery of elemental justice." The Czech Embassy in Washington refused July 4 to accept what it called an "outrageous and insulting" letter from the American Newspaper Guild charging that Oatis had been forced to voice a "phony confession" in the Prague court. Pres. Truman denounced the imprisonment of Oatis July 5. [See p. 133P]

USAF Lt. Luther G. Roland of Hummelstown, Pa. and Norwegian AF Lt. Bjoern Johansen, a trainee with the USAF in Germany, were released by the Czechs July 4 at Waldhaus on the border of Czechoslovakia and U.S.-occupied Germany. Their jet planes, forced down in Czechoslovakia June 8, were returned to Germany by truck July 5 and the U.S. was told it will get a Czech bill for hangar fees. Roland said in Frankfort-on-the-Main July 5 he was kept up 34 hours for questioning, forced to sit for 8 hours in an armchair when first taken prisoner. [See p. 204K]

The Czech Govt. announced July 1 it will transfer 77,500 persons from state jobs to factory work "to insure that production plans are fulfilled." [See pp. 166D, 53G, 9F]

Hungary. Pope Pius XII excommunicated June 30 all Hungarian Roman Catholics responsible for the arrest, trial and conviction of Archbishop Josef Groesz. Hungary July 5 ordered 2 U.S. Legation staff members in Budapest—Albert W. Scherer Jr. and Ruth Tryon—to leave the country in 24 hours because of their alleged implication in the Groesz case. They were declared *persona non grata* after the U.S. refused July 4 to recall them. However, the U.S. Information Service closed its library and theater in Budapest July 3 at Hungary's request. [See p. 204G]

Thai Rebellion Defeated. A revolt in Bangkok by Navy and Marine men who held Premier Field Marshal Luang Pibul Songgram prisoner June 29-30 was put down by the Army, Air Force and police. Pibul, 54, escaped from a warship during the battle and the Navy rebels surrendered July 1. But a report from Bangkok July 4 said Pibul lost so much face by being kidnaped that he was now a figurehead Premier and a 4-man junta was running the country. The junta: Gen. Phao Sri Yanondh, head of the police (40,000 men); Army (35,000) commander Lt. Gen. Phin Chunhawan; Air Marshal Fuen Ronapakat and Army Gen. Sarit Thannarat.

The revolt was believed to have been the result of perennial rivalry between Army and Navy factions in Thailand, not a Red plot against the pro-Western Premier. It started when a Navy-Marine raiding party kidnaped Pibul June 29 during a ceremony to transfer the U.S. dredger *Manhattan* to Thailand. He was taken to the Thai Navy flagship *Sri Ayuthia* in the Chao Phraya River near Bangkok. When the rebels refused to release him, ground and air forces of the Govt. attacked the flagship and other Navy rebel strongholds. Hundreds of civilians were incidental casualties of the 2-day battle. Pibul's guards on the *Sri Ayuthia* released him when the ship was set afire by Army artillery June 30. He swam ashore under fire, got back to Govt. House in Bangkok and persuaded the rebels by radio to give up. During the uprising the Navy announced a new Govt. composed of men prominent in various Thai political and service elements, but many of them denounced the revolt. Navy commander Adm. Luang Singu Songgramchai remained loyal to Pibul, but he and 75% of the Navy personnel were dismissed July 2-3 by Army men in control of the Navy.

Facts on Pibul Songgram: A professional soldier, self-commissioned field marshal, of diminutive appearance but Thailand's "strong man" most of past 2 decades. Helped force King Prajadhipok to give up absolute rule 1932, became Premier 1938, governed as dictator 6 years. Cooperated with Japanese when they occupied Thailand; declared war on Allies Jan. 25, 1942. Britain took declaration at face value but U.S. ignored it in belief Thailand acted under duress. Ousted as Premier 1944 when Jap war fortunes declined. Collaboration charges against him thrown out by Thai courts on legal technicalities after war. Returned to politics as leader of Tharmathupat (Right Is Might) Party, seized power Nov. 1947 in coup against regime dominated by one-time friend, Marxist Nai Pridi Phanomyong, believed now living in Red China. Navy, which had more friends in Pridi's faction, backed unsuccessful attempt to overthrow Pibul 1949. Pibul's rule since 1947 coup more liberal than before World War. He has swung to strong support of West against Reds, sent Thai troops to fight for UN in Korea, recognized anti-Communist Viet Nam regime in Indo-China, cracked down on Red press in Thailand. Is anti-Chinese, says most Reds in Thailand belong to Chinese minority (3 million of 18 million population). Changed country's name from Siam to Thailand 1939, again 1949 to stress superiority of Thais over Chinese. [See pp. 80E, 11K; Vols. X, 115D-E; IX, 159C, 77J]

Austrian Pres. Theodor Koerner was inaugurated June 21. [See p. 174F] . . . **British** gold and dollar earnings totaled only $54 million in April-June as against $360 million in Jan.-March, Chancellor of the Exchequer Hugh Gaitskell told Parliament July 4. He said Britain faces "a period of considerable difficulty" caused by rearmament demands, raw material shortages and high prices. [See pp. 166C, 164A] . . . **Canada's** Conservatives unseated 3 Liberals (Govt. party) in winning 4 Parliamentary by-elections June 25 by assailing the Govt. for the high cost of living. Commons now has 185 Lib., 46 Progressive Conservative, 13 Coop. Commonwealth Fed., 10 Social Credit, 4 Ind. Lib., 4 independent members. [See p. 158H] . . . **Chinese** Reds reported June 27 that 11,400 "counter-revolutionaries" were arrested in Shanghai in May and at least 284 put to death. 1,000 purge executions in Shanghai have been confirmed since March. In line with the Govt.'s purge of anti-Red influences from religious organizations, the Chinese Methodist Church expelled Chiang Kai-shek June 10. [See p. 163K] . . . **Luxembourg** Cabinet of Premier Pierre Dupong was approved by Grand Duchess Charlotte July 2. [See p. 182L-M] . . . **Nigeria**, British colony and protectorate, was granted a new constitution July 1 giving natives a more prominent role in the Govt. [See Vol. IX, p. 424M] . . . **Philippines** ECA technical & economic mission chief appointed July 2: Dr. Roland R. Renne, Montana State Coll. president. [See p. 134D] . . . **San Marino's** Communist-dominated Parliament dissolved itself June 30 and set up an all-party "regency council" to settle the republic's disputes with Italy. [See Vol. X, p. 211G]

FINANCE & ECONOMICS

RFC-B&O Dispute. Ex-RFC Chrmn. Jesse Jones said in a statement released by the Senate Banking Com. June 27 that the RFC collected $59 million in interest and made $20 million in profit on its disputed loans to the Baltimore & Ohio R.R. He said the B&O loan is secured by collateral worth 2½ times the debt and that the RFC could have converted the loan into cash at a "substantial profit" during the "cheap money era" of 1949-50. Sen. Charles W. Tobey's (R., N.H.) charges of "collusion" between the RFC and former employes who became executive officers of B&O were called without foundation.

RFC Admin. W. Stuart Symington and ex-RFC Dir. Harvey J. Gunderson disputed the Jones statement June 29. Gunderson said comparable B&O bonds sold at a top of 85 in 1949-50 and therefore the RFC could have sold its holdings only at a heavy loss. Symington said the RFC has been unable to sell B&O bonds at a profit since he took over, and he also opposed allowing RFC employes to take jobs with big RFC borrowers. [See p. 172G]

Symington announced June 29 that he had revoked the authority of the 32 regional RFC managers to make loans except for disaster relief. They had been allowed to lend up to $100,000. James C. Windham, ex-member of the RFC's Review Com., has resigned as vice president-treasurer of the F. L. Jacobs Co., it was announced June 28. [See p. 76H]

New England Report. A report urging New England to relax its conservatism in an effort to expand and stabilize its $14 billion economy was submitted to Pres. Truman by his Council of Economic Advisers July 2. The study was made by 7 New England economists headed by Charles I. Gragg of Harvard as result of the 1948-49 recession which hit New England harder than any other area in the U.S. An "imperviousness to new ideas," "unwillingness to modernize" and "management responsibility in the hands of 3d and 4th generations, who often do not show the ability of the original owners" led the economists to conclude that "New England needs more enterprising management." The economists recommended increasing the area's hydroelectric output, a steel mill and acceptance of more federal social & economic aid. [See p. 38J; Vol. X, 348E; IX, 246M]

Panama Canal Reorganization. The Panama R.R. Co. became the Panama Canal Co. and took over all the Canal's physical properties July 1 under an executive order signed by Pres. Truman June 29. The 2 enterprises, valued at over $500 million, have turned over $700 million in profits to the Treasury since they were acquired in 1904 from the bankrupt French company that started the canal. The government's name was changed from Panama Canal to Canal Zone Govt. [See p. 160B; Vol. X, 308B]

Anti-Trust Suits. Filed by the Justice Dept.: (June 18 in Chicago) Charging the Borden Co., Bowman Dairy and 8 other dairy companies with monopolizing distribution and sale of milk to wholesale customers and public institutions in the Chicago area. (Borden June 29 countersued Dean Milk Co. for $7,136,644 treble damages for alleged pricefixing. Dean originally sued Borden, Bowman and 7 other dairies for $15 million, and Bowman countersued Dean for $12 million.) [See Vol. X, p. 103B] . . . (June 29 in Jacksonville, Fla.) Charging the Western Newspaper Union of N.Y. with conspiring with 2 subsidiaries to monopolize supplies & services for rural printers in the U.S. [See p. 199H-J]

American Tobacco Co. was ordered by the FTC June 28 to stop allegedly "false" advertising claims that Lucky Strike cigarettes are less irritating to the throat than other brands or are preferred "2 to 1" by independent tobacco experts. [See Vol. X, p. 110P] . . . **Macy's,** leader in the recent N.Y. price war, was freed by the N.Y. Appellate Div. June 29 from an injunction barring it from selling Gen. Electric appliances at less than fair trade prices. GE had requested the court to vacate this and similar injunctions against 200 N.Y. retailers. [See p. 191B] . . . **Blue Ridge Mutual Fund, Inc.** with assets of $44,500,000 was formed in New York June 28 after 9 years of reorganization proceedings by merger of Central States Electric Corp. and Blue Ridge Corp. . . . **Launched** in Newport News, Va. June 23: the 51,500-ton, 990-foot *United States,* biggest and fastest liner ever built in the U.S. [See p. 188L] . . . **Hilton Corp.'s** purchase of control of the Mayflower Hotel, Washington, for $2,600,000 was upheld by the U.S. Court of Appeals June 25. [See Vol. X, p. 343P] . . . **Internal Revenue Bureau** reported June 27 that there is an error of $2 or more in one out of every 4 individual income tax returns and that in 9 cases out of 10 the mistake is at the Govt.'s expense. [See p. 141B]

Kaiser-Frazer Corp. won a $2,588,919 damages award from the Cleveland investment banking house of Otis & Co. in U.S. Dist. Court in New York July 2 for breach of contract. Otis had repudiated a contract to underwrite $10 million worth of K-F stock in 1948. [See Vol. X, p. 167F] . . . **Defense Production Admin.** July 3 authorized accelerated tax write-offs (5 years instead of 20 or more years) for 75% of the Kaiser Steel Corp.'s $54,939,000 pig iron output expansion. This raised to $7,596,491,379 the amount of defense plant expansion given DPA tax aid. [See p. 199C-D] . . . **Bank of America,** the U.S.' biggest bank, had resources of $7,093,426,267 June 30, first time a U.S. commercial bank's resources exceeded $7 billion (reported July 2). [See pp. 199J, 55G] . . . **N.Y. Stock Exchange** prices slumped June 25 on news of the Russian peace bid, but, after hitting new lows for the year, began to recover July 3, apparently because of the belief that a truce would not end the mobilization buildup. [See p. 175B] . . . **U.S. Govt. surplus crop investment** dropped from more than $4 billion in May 1950 to $2,060,742,000 this May 1, largely due to sales spurred by the Korea fighting (reported July 3). [See p. 126H]

BUSINESS & FINANCIAL SUMMARY

Week Ending June 30

FINANCE:

U.S. Treasury—	This Week	Last Week	Year Ago
Monetary gold stocks	$21,755,000,000	$21,755,000,000	$24,230,000,000
Currency circulation	$27,601,000,000	$27,479,000,000	$27,026,000,000
Banks—			
Com'l, ind'l & agri'l loans	[a]$19,216,000,000	$19,085,000,000	$13,532,000,000
N.Y. bank clearings	$8,582,224,399	$9,295,390,265	$7,753,221,957
England note circulation (£)	1,349,291,000	1,343,407,000	1,293,859,000
N.Y. Stock Exchange—			
Stock sales (shares)	8,724,010	5,710,536	17,098,654
Stock avgs. (100 stocks)*	138.22	140.50	126.53
Bond sales	$14,419,500	$11,826,500	$31,505,900
Bond avgs. (30 bonds)*	97.39	97.68	100.61
SEC composite stock index (265 U.S. stocks, 1939=100)	174.2	179.1	.....
INDUSTRY:			
Auto output (cars, trucks)†	151,247	148,797	187,893
Crude oil (bbls. daily)	[b]6,192,050	6,189,450	5,354,750
Soft-coal output (tons)	[c]10,302,000	9,890,000	10,364,000
Elec. output (kwh.)	[b]6,834,692,000	6,746,691,000	6,102,288,000
Carloadings (cars)	[b]832,942	826,239	810,152
Ind'l output (Fed. Reserve Board, 1935-39=100)	**May** [p]223	**April** [p]223	**May 1950** 195
PRICES:	**This Week**	**Last Week**	**Year Ago**
Wholesale food index‡	[d]$7.02	$7.07	$6.04
Wheat (bu.)	$2.61⅞	$2.67⅛	$2.51¾
Corn (bu.)	$1.94⅛	$1.96¼	$1.78
Farm indexes§:	**June 15**	**May 15**	**June 15, 1950**
Paid by farmers	283	283	254
Rcd. by farmers	301	305	263
Parity ratio	106	108	97
Weekly wholesale commodity index (BLS, 1926=100)	**This Week** [d]181.1	**Last Week** 181.6	**Year Ago** 157.4
BUSINESS:			
Dept. store sales (Fed. Res. Board, 1935-39=100)	[b]265	305	250
Failures (June 21)‡	180	130	147

*N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet §Agriculture Dept., 1910-14=100 [a]Fed. Reserve member banks, 95 cities, June 20 [b]June 23 [c]June 16 [d]June 26 [p]Peacetime record

LATIN AMERICA

Argentina. Arrest of 2 retired Army officers and 11 civilians for an alleged plot to overthrow the Perón Govt. was announced June 30. 5 junior Army officers were arrested on similar charges June 22. Among the civilians held are Alberto Vinas, ex-head of the Federal Penitentiary, and Buenos Aires lawyer Eduardo Augusto García. [See p. 134F; Vol. VIII, 310N] . . . In an exchange of assignments July 2, Jeronimo Remorino became Forgn. Minister to succeed Hipólito Jesus Paz and Paz replaced Remorino as Amb.-to-U.S. [See p. 190M; Vol. IX, 262N] . . . Ernesto Mario Bravo, whose arrest provoked a student strike at Buenos Aires U., was acquitted June 21 of resisting arrest and attacking police. [See p. 198M-N] . . . Export of live cattle was banned by Argentina June 29 due to a shortage. [See p. 190M]

Cuba. The U.S. dollar ceased to be legal tender in Cuba June 30 and the Cuban peso, valued at par with the dollar, became the country's sole monetary unit. The Natl. Bank of Cuba, established a year ago, now has a $560,000,000 reserve of gold and U.S. currency and Cuba expects no exchange difficulties because of its favorable balance of trade with the U.S. [See p. 198P; Vol. X, 182G] . . . Police again shut down the plant of the Red newspaper *Hoy* June 28. [See p. 199A]

Chile's strike of 15,000 copper miners against U.S.-owned mines in Antofagasta Province ended June 25 after the Govt. ordered a resumption of work. [See p. 198N-P] . . . **Costa Rica's** population in 1950 was 800,875 (399,859 men, 401,016 women), a census report showed June 23. It has increased by 329,351 in 23 years. [See p. 118N] . . . **Guatemala** reported June 16 it has eliminated its foreign debt by repaying $400,000 due U.S. banks for railway construction and a hydroelectric plant. [See p. 182P] . . . **Nicaragua** obtained $4,700,000 in Intl. Bank loans June 7 for road and farm improvements and signed an agreement June 8 for U.S. Point 4 aid on educational projects. [See pp. 183A, 118N, 116C] . . . **Panama** Natl. Assembly authorized Pres. Alcibiades Arosemena June 13 to obtain Govt. loans totaling $27,500,000 to bolster the country's financial condition. Internal debt left by ex-Pres. Arnulfo Arias' administration totaled $16,000,000. [See p. 174M] . . . **Venezuela** announced a balanced budget of 1,951,000,000 bolivars ($588,226,500) for the fiscal year beginning July 1. [See p. 134G]

OBITUARIES

Antonin Besse, French merchant whose $4 million gift founded St. Anthony's College at Oxford U.; July 3 in Elgin, Scotland.

Hugh Casey, 38, onetime Brooklyn Dodger star relief pitcher; a suicide, by shotgun, July 3 in Atlanta. His estranged wife heard the blast on the phone. [See p. 12P]

Sam Cobean, 34, *New Yorker* mag. cartoonist; July 2 in an automobile accident near Watkins Glen, N.Y.

Rev. Dr. Harrison Sacket Elliott, 69, retired Union Theol. Seminary prof.; ex-YMCA executive, secy. of Religious Eductn. Assn.; June 27 in Rhinebeck, N.Y.

Mrs. Grace Hall Hemingway, 79, mother of novelist Ernest Hemingway; June 28 in Memphis, Tenn.

Baron Inverchapel (Sir Archibald John Kerr Clark Kerr) of Loch Eck, 69, retired British diplomat, ex-Amb. to China, Russia and U.S.; July 5 in Greenock, Scot. [See Vol. VIII, p. 127K]

Dugald Calleb Jackson, 86, who headed MIT's electrical eng. dept. 1907-1935, author of 5 books; July 1 in Cambridge, Mass.

Charles Francis Jenkins, 85, chairman of Farm Journal, Inc. (pubs. of *Farm Journal, Pathfinder*); July 2 in Philadelphia.

J. Lewis Luckenbach, 67, pres. of American Bureau of Shipping 1933-50, bd. chrmn. since; July 4 in New York. [See X, 64M]

Walter P. McGuire, 70, newspaper publisher, ex-editor of *Boy's Life, American Boy;* June 30 in Petersburg, Va.

Gustavo Moreno Durán, Mexican composer of song *La Raspa;* June 29 in Madrid of anthrax and acute diabetes.

Adm. Count Luigi Rizzo, 64, Italian torpedo boat hero of World War I; announced June 28 in Rome.

Dr. Paul Titus, 66, obstetrician, gynecologist and author of medical textbooks; June 28 in Pittsburgh.

George Williamson, 73, bd. chrmn. of Strathmore Paper Co.; July 3 in Des Moines of a heart ailment.

Prof. John Zeleny, 79, noted physicist, chrmn. of Yale Physics Dept. for 25 years; June 19 in New Haven, Conn.

ARTS & SCIENCE

LEADING JUNE FILMS

New York Releases

(FACTS ON FILE selections based on interest or quality)

ACE IN THE HOLE. Callous, unprincipled newspaperman prolongs rescue of man trapped in cave to build up sensational news story. Screenplay by Billy Wilder, Lesser Samuels & Walter Newman. Directed & produced by Wilder. Starring Kirk Douglas. Cast includes Jan Sterling, Ray Teal, Porter Hall, Bob Arthur. June 29.

THE FROGMEN. War exploits of Navy's swimming demolition teams. Screenplay by John Tucker Battle based on Oscar Millard story. Directed by Lloyd Bacon. Produced by Samuel G. Engel for 20th Century-Fox. Cast headed by Richard Widmark, Dana Andrews, Gary Merrill. June 29.

HE RAN ALL THE WAY. Fugitive desperado forces family to shelter him. Screenplay by Guy Endore & Hugo Butler based on Sam Ross novel. Directed by John Berry. Produced by Bob Roberts. United Artists release. Starring John Garfield. In cast: Shelley Winters, Wallace Ford, Selena Royle, Bobby Hyatt. June 20.

M. Tracking-down of psychopathic killer of children. Remake of Fritz Lang-Thea von Harbou German film classic. Screenplay by Norman Reilly Raine & Leo Katcher. Directed by Joseph Losey. Produced by Seymour Nebenzal for Columbia. Cast includes David Wayne, Howard da Silva, Martin Gabel, Luther Adler, Steve Brodie. June 10.

MY FIRST LOVE. French-language comedy-drama about boy who experiences his first love affair and learns to accept his mother's romance. Screenplay by Paul Vandenberghe from his play. Directed by Berthomeiu. Pathé Cinéma Production presented by Leo Cohen. Released by Arthur Davis Associates. In cast: Gerard Nery, Jacqueline Delubac, Aime Clariond, Louvigny, Jacques Famery. June 10.

NATIVE SON. Story of Negro chauffeur who unintentionally kills white girl. Screenplay by Richard Wright & Pierre Chenal based on Wright's novel. Directed by Chenal. Produced by James Prades. Presented by Walter Gould. Released by Classic Pictures. Starring Richard Wright. Cast includes Jean Wallace, Gloria Madison, Jean Michael. June 17.

BEST-SELLING BOOKS

(From N.Y. Herald Tribune July 1; based on national sales)

FICTION: James Jones' "From Here to Eternity," James A. Michener's "Return to Paradise," Herman Wouk's "The Caine Mutiny," F. Van Wyck Mason's "Proud New Flags," Frank Yerby's "A Woman Called Fancy."

NON-FICTION: Thor Heyerdahl's "Kon-Tiki," Duke of Windsor's "A King's Story," Jack Lait & Lee Mortimer's "Washington Confidential," Ethel Waters' "His Eye Is on the Sparrow," Lowell Thomas Jr.'s "Out of This World." [See p. 183E]

SPORTS

Baseball. The July 4 turning point of the major league pennant races found Brooklyn well ahead in the NL, Chicago still the dark-horse leader in the AL. The Dodgers won a July 4 doubleheader from the 2d-place N.Y. Giants, who made a come-back after losing 11 straight games the first 2 weeks of the season. Chicago regained the AL lead by splitting a July 4 doubleheader with Detroit while the N.Y. Yankees lost twice to Washington [see pp. 200J, 184H, 128J]. Standings July 4:

NATIONAL LEAGUE	W.	L.	Pct.	G.B.
Brooklyn	46	26	.639	....
New York	41	34	.547	6½
St. Louis	37	33	.539	8
Philadelphia	35	37	.486	11
Cincinnati	33	38	.465	12½
Boston	32	38	.457	13
Chicago	30	36	.455	13
Pittsburgh	29	41	.414	16

AMERICAN LEAGUE	W.	L.	Pct.	G.B.
Chicago	46	27	.630	....
New York	44	26	.629	½
Boston	43	29	.597	2½
Cleveland	41	31	.569	4½
Detroit	32	35	.478	11
Washington	28	42	.400	16½
Philadelphia	28	44	.389	17½
St. Louis	21	48	.300	23½

Bob Feller of Cleveland pitched a no-hitter July 1, beating Detroit, 2-1, to become the first modern hurler to record 3 no-hit games. [See pp. 152H-J, 39P; Vol. VI, 144G]

Walt Dropo, American League rookie of the year with the Boston Red Sox in 1950, was sent to San Diego June 24 for more minor league work. [See Vol. X, pp. 372F, 328A, 320D]

John Blanchard, 18, Minneapolis high school star, signed a 3-year contract with the N.Y. Yankee chain for "over $50,000" July 3. He will play outfield for Kansas City. [See p. 200J, K]

Football. George Ratterman, star quarterback, announced July 2 he had quit the NFL N.Y. Yanks and signed with the Montreal Alouettes of the Canadian Big 4 Football Union.

Golf. PGA championship finals in Oakmont, Pa. July 3: won by Sam Snead, 37, of White Sulphur Springs, W. Va., 7 & 6 over Walter Burkemo of Franklin, Mich., for $3,500. Snead also won PGA titles in 1942, 1949. [See p. 160K-L; Vol. IX, 184G]

National Collegiate Athletic Assn. championships at Columbus, Ohio June 26: team title won by North Texas State, medal by Samuel Kocsis of U. of Detroit. [See p. 216E-F] . . . U.S. Seniors title at Rye, N.Y. June 27: won by Tom Robbins with record 140 for 36 holes. . . . Women's Eastern Open July 1 at Reading, Pa.: won by Beverly Hanson, 24, in her pro debut, with 54-hole 215, for $1,000. [See Vol. X, p. 304E-F]

Horse Racing. $10,000 David H. McConnell Memorial Trot at Westbury, N.Y. June 29: won by Star's Pride in 3:06 1/5, new world record for mile and half. [See p. 208F] . . . $60,700 New Castle Handicap at Stanton, Del. June 30: won by Ogden Phipps' Busanda, Eric Guerin up, for $42,600. [See p. 176F; Vol. X, 216F] . . . $50,000 Westerner at Inglewood, Calif., June 30: won by Grantor, Willie Shoemaker up.

(July 4 races) $60,000 Stars & Stripes Handicap, Arlington Park, Chicago: won by Mrs. Esther du Pont Weir's Royal Governor, Eddie Arcaro riding, for $41,950. [See Vol. X, p. 232N] . . . $56,250 American Handicap, Inglewood: won by Calumet Farm's Citation, Steve Brooks up, for $33,050, to boost his earnings to a record $985,760. His mate Bewitch ran 2d. [See Vol. X, pp. 240L, 184D]

Swimming. The NCAA reported June 25 that 36 new NCAA records had been set in the 1950-51 season, 10 by John B. Marshall, Yale sophomore from Australia. His marks included: 440 yds. freestyle, 4:30.2; 220 yds., 2:05.6; 1,500 meters, 18:18.8 [see p. 120N]. . . . Ford Konno, 18, Hawaiian swimmer, bettered 4 American marks in Honolulu June 20-23.

Tennis. Natl. pro title, Forest Hills, N.Y. July 4: won for 2d year by Francisco (Pancho) Segura of Guayaquil, Ecuador over Richard (Pancho) Gonzales, Los Angeles, in final of 4-match round-robin, for $2,300. They teamed to win the doubles. [See Vol. X, p. 191N]

Track & Field. AAU decathlon title, Santa Barbara, Calif. July 4: won by Rev. Bob Richards, 25, of Ill. Athletic Club from La Verne, Calif. with 7,834 points. [See p. 104H; Vol.X, 216G]

MISCELLANEOUS

Air Crashes. United Air Lines DC-6 in Rocky Mountain National Park, Colo. June 30, all 50 aboard dead, including George W. Haggard, deputy administrator of the Rural Electrification Administration, 5 other REA officials, and Joseph M. Coury, 25, atomic chemist. [See p. 213D-E] . . . AF C-47 near Fort Dix, N.J. July 1, 5 of 21 aboard killed. . . . Navy PBM, off Key West, Fla. June 29, 8 of 9 crewmen killed. [See p. 208P]

Rapist Kills Self. Warren Lee Irwin, 27, of Detroit was found dead in a field near Flemington, N.J. July 1 by police and FBI men hunting him on murder, rape and kidnaping charges. He had shot himself. Before he was trapped, Irwin had held Carolyn Barker, 17, of Washington captive for 41 hours and raped her.

The FBI has arrested 2 "most-wanted" criminals: Joseph Paul Cato, 48, of San Francisco, sought in the killing of a model in 1946, seized in Cleveland June 21; Thomas J. Holden, 55, charged with slaying his wife and her 3 brothers in 1949, arrested June 23 near Beaverton, Ore.

Blame Engineer in Wreck. The N.J. Board of Public Commissioners blamed engineer Joseph H. Fitzsimmons June 26 for the 85-death wreck of a Pa. RR train at Woodbridge, N.J., Feb. 6. It said the train was going too fast. [See p. 64N]

Captain Loses License. The Coast Guard June 26 revoked the license of Capt. L. C. Smith of the freighter *Mary Luckenbach,* charging that his negligence caused the collision with the Navy *Benevolence* in San Francisco harbor last August. [See p. 184M]

Sails Atlantic Alone. Clyde Deal, 37, of Red Bank, N.J. docked his Norwegian-built sloop in New York harbor June 23, completing a 54-day, 4,400-mile trip from the Canary Islands.

Married. Film producer Vaughn Paul, 35, ex-husband of Deanna Durbin, and actress Dorothy Jane Douglas, 25, in Santa Monica, Calif. June 28 (3d marriage for both). [See Vol. VI, p. 151N] . . . Animal trainer Clyde Beatty and Mrs. Lorraine Abel in Bellingham, Wash. June 30. [See Vol. VII, p. 220P]